



Adopted Resource Allocation Plan Fiscal Year 2002

**Presented by
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City Manager
&
Robert S. Torrez
CFO/Director of Financial Management**

City of Long Beach, California

ABOUT THE COVER...

The Fiscal Year 2002 Adopted Resource Allocation Plan cover highlights the diversity of Long Beach. From progressive neighborhood libraries and a rich cultural arts community to a bustling commercial and recreational waterfront, Long Beach has something for everyone to enjoy.

The first photograph captures the activity at the Main Library's Family Learning Center. The innovative Family Learning Centers, located at all 12 Long Beach public libraries, provide homework help, access to computers and specialized educational resources to over 50,000 children and their families. The new centers are supported by the Long Beach Public Library Foundation through donations from corporations and private individuals.

Long Beach is home to numerous art galleries, studios and museums, as seen in the second photograph. The Long Beach Museum of Latin American Art (MoLAA), founded in 1996, is the only museum in the western United States that exclusively features contemporary art from Mexico, Central and South America, and the Caribbean.

The final photograph and back cover prominently display the amenities located at the city's waterfront. Rainbow Harbor and Marina, located next to the Aquarium of the Pacific, offers both commercial and recreational boat slips. The Lions Lighthouse for Sight towers 100 feet into the Long Beach skyline and guards the entrance into Rainbow Harbor. The Lighthouse is a navigational aide and will be home to a full-time HarborMaster. Donations from the Long Beach Lions Club, as well as a loan from the California Department of Boating and Waterways funded the Lighthouse.

**This information is available in an alternate format by request to the
Budget Management Bureau (562)570-6425.**

What We Believe

The City's Business is Service

We are committed to providing quality service to our diverse community in ways that are helpful, caring and responsive.

Working Together to Serve

We believe that the success of our organization depends on the teamwork, mutual trust, and honesty achieved through commitment to the following values:

Participation

by
citizens and City team members in setting and attaining the City's goals.

Communication

with
one another and with citizens.

Courtesy

in
all personal relations.

Integrity

in
everything we do.

Loyalty

to
our community, to this organization, and to each team member.

Innovation

in
meeting the present and future needs of the City.

Responsibility

as
a team for efficient and effective delivery of services.

Pride

in
our work, in our dedication to public service, and in being the best we can be.

Elected Officials

City of Long Beach

Mayor

Beverly O'Neill

City Council

Bonnie Lowenthal, District 1
 Dan Baker, Vice-Mayor, District 2
 Frank Colonna, District 3
 Dennis Carroll, District 4
 Jackie Kell, District 5
 Laura Richardson-Batts, District 6
 Ray Grabinski, District 7
 Rob Webb, District 8
 Jerry Shultz, District 9

City Attorney

Robert E. Shannon

City Auditor

Gary L. Burroughs

City Prosecutor

Thomas M. Reeves

City Organizational Chart

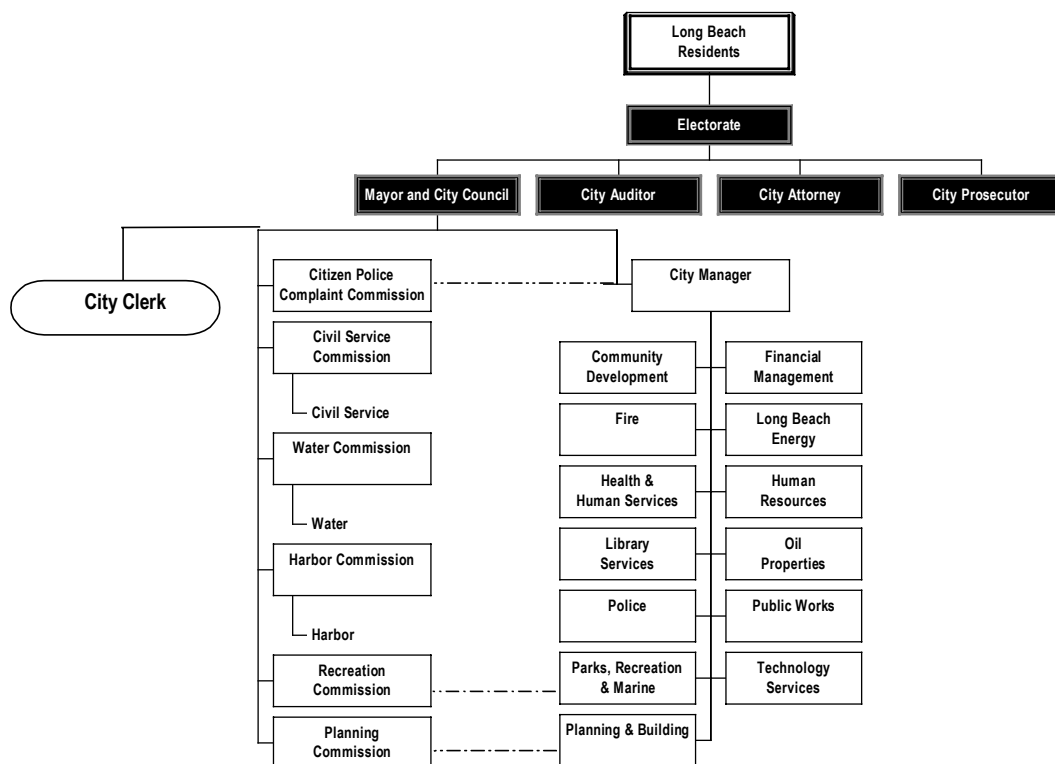


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City Manager's Budget Messages

The City of Long Beach utilizes two messages to provide a complete record of the City Manager's Proposed Budget and the final budget adopted by the Mayor and City Council.

The message dated August 1, 2001 transmits the City Manager's recommendations for the Fiscal Year 2002 (FY 02) budget to the Mayor and City Council. In that message, the City Manager discusses the current economic environment, the overall financial condition of the City, and major policy issues. He also discusses the impact of the State of California's budget and the outlook for the City for the following fiscal year (FY 03). The message includes recommendations on fee and rate changes and any anticipated major changes in revenues. The City Manager also discusses highlights of his proposed budget, including additional programs and services to be provided in the new fiscal year. The message dated October 1, 2001 lists the changes that were made to the City Manager's proposed budget during the adoption process by the Mayor and City Council.

Together these two messages provide the background and environment within which the budget was developed and adopted.

Adopted Budget Transmittal Letter

Fiscal Year 2002

October 1, 2001

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

SUBJECT: Fiscal Year 2002 Adopted Resource Allocation Plan

The Mayor and City Council adopted the final budget for Fiscal Year 2002 on September 18, 2001, as provided under Section 1704 of the City Charter, after holding two public workshops and two budget hearings.

The Mayor and City Council endorsed the City Manager's Proposed Budget with the following amendments:

GENERAL FUND

An update of the estimated expenses and revenues for FY 01 was presented at the September 4, 2001 budget hearing. The update revised the projected ending fund balance of the Proposed Budget to \$2,084,277. In addition, the recommendation to accelerate the Utility Users Tax rate rollback was not approved, thereby increasing projected revenues by \$2,913,578. This total of \$4,997,855 in additional resources was appropriated as follows:

Program	Description	Amount
City Council Discretionary Funds	\$150,000 is designated for use by each of the nine council districts to allocate to additional projects or programs beneficial to the community.	\$1,350,000
City Council District Requests	This funds additional staffing and equipment needs for four council districts.	\$171,318
Discover Long Beach	This program partners with elementary schools to bring children into local parks to teach them about the environment, natural science, preservation and conservation. This funding increases the number of schools from five to ten. In addition, outreach and stewardship activities will be increased, as well as educational and volunteer programs.	\$225,000

Fire Facility Repairs	The amount appropriated will be used for livability improvements to fire stations for safety personnel.	\$300,000
Neighborhood Infrastructure	The Capital Improvement Program to repair curbs, gutters, sidewalks and related improvements to neighborhoods was supplemented by \$1,000,000, which increases the amount allotted to \$4,000,000.	\$1,000,000
Park Rangers	This funds Year 1 of a three-year program to expand the number of Park Rangers for increased coverage in City parks.	\$450,000
Parks on Wheels and Park Naturalist	This is a new mobile exhibit to present urban environmental education programs in elementary schools city-wide.	\$300,000
Public Corporation for the Arts	The contract with the Public Corporation for the Arts was increased by \$1,000,000, funded equally between the General Fund and the Special Advertising and Promotion Fund.	\$500,000
Sustainable City	A consultant will be retained to assist the City in developing building guidelines for sustainability, which supports the preservation of natural resources for the future as much as possible.	\$87,000
Security Needs	The balance of the unallocated resources was reserved for future security needs related to the events of September 11, 2001.	\$614,537
Total		\$4,997,855

The Adopted FY 02 General Fund expenditure budget totals \$357.6 million. Total revenues however, are projected to be \$333.2 million. The difference of \$24.4 million is funded by \$24.6 million in carryover from FY 01. This leaves a projected ending General Fund operating balance of \$134,156. These are pre-audited numbers and may change as staff completes the year-end FY 01 audit.

The actual carryover amount of \$24.6 million exceeds the estimate of \$19.5 million in the Proposed Budget due to a combination of additional revenue and reduced expenditures. Revenues were \$3 million more overall, in which the largest increases were in Pipeline Franchise fees (\$1 million), Electric Franchise fees (\$1 million), and Vehicle License Fees (\$2 million), but were partially offset by decreases in other areas. In addition, actual expenditures by departments were less than estimated, a major reduction of encumbrances was conducted, and various accounting adjustments to fund balance were required to be made.

OTHER FUNDS

In addition to the \$500,000 referenced above for the Public Corporation for the Arts, \$95,674 was appropriated in the Capital Projects Fund out of Gas Tax revenues for additional street striping for crosswalks.

CONCLUSION

We will continue to monitor the economic effects on Long Beach caused by the tragic events of September 11th. We are cautious in our projections since the Recession is beginning to manifest itself in the Southern California area. An update on these issues will be presented to the Mayor and City Council in my Mid-Year Report. I am confident that the City will be able to withstand this latest challenge, just as it has in the past, and continue to provide quality services to our residents and visitors.

Respectfully submitted,

HENRY TABOADA
CITY MANAGER

HT:BT:AAH



City Manager's Budget Message

Fiscal Year 2002

August 1, 2001

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

SUBJECT: Fiscal Year 2002 Proposed Resource Allocation Plan

I am pleased to submit my proposed budget for Fiscal Year 2002 (FY 02). Input solicited in public workshops in May and June provided a context for this budget. As you know, this year the major issue has been the energy crisis. Much attention has focused on the impact of this crisis on the State's budget, as well as its effect on Long Beach ratepayers, including the City government. Most of the local discussion has focused on the impacts of the natural gas component of the crisis on our utility customers. The uncertainties of rising energy costs, a potential economic recession, and the implications for local government caused by the State budget situation are factors that may affect the viability of the proposed budget for Fiscal Year 2002.

In spite of these uncertainties, you will find in this proposed budget many deserving enhancements in areas requested by the public and the City Council. Further, the proposed budget continues to support the City Council's policy to maintain a reserve of 10 percent of the General Fund operating budget.

CITYWIDE BUDGET

The Citywide proposed FY 02 budget totals \$1.8 billion, most of which is restricted by State or Federal law or grant requirements. The Citywide budget finances a multitude of operations including City utilities (gas, sewer, water), refuse collection, the airport, harbor operations, marinas, redevelopment activities, oil operations and also traditional municipal services that are typically funded by the General Fund such as police, fire, public works, parks and recreation, libraries, and general government services.

GENERAL FUND

The FY 02 proposed General Fund expenditure budget totals \$352 million while projected revenues total \$334 million. The \$18 million difference between revenues and expenditures is offset by \$19 million in estimated carryover from FY 01. Carryover is simply savings and/or additional revenues generated during the current year that can be carried forward to help balance the subsequent year's budget. The total of beginning carryover plus revenue minus proposed expenditures results in a projected ending fund balance for FY 02 of approximately \$1 million, which will remain in reserve and available during the year for unanticipated needs, or for appropriation as the City Council deems appropriate.

Typically, balancing the General Fund budget is not an easy task. The FY 02 proposed budget is no exception. The energy crisis and its impact on City expenses and revenues has presented

multiple budgetary challenges, particularly since there is no history upon which to base projections and, therefore, no guarantee that this phenomenon will continue into next year or beyond.

The ending fund balance for FY 01 was initially expected to be about \$6 million, which is anticipated annually from departments expending no more than 98% of their budgets, as per the annual budget policy. However, actual savings are expected to be minimal, primarily due to unbudgeted wage increases for Miscellaneous Bargaining Unit employees (non-safety) and higher than anticipated natural gas and electricity costs.

On the revenue side, as reported in the Mid-Year Budget Report, all major revenues (Property Taxes, Sales Taxes, Transient Occupancy Taxes) are performing higher than budget. During the mid-year budget workshop, I recommended that an additional month's revenue and expenditure data be accumulated in order to validate these positive trends. With only two months remaining in the fiscal year, we are now able to validate projected revenue increases. The positive performance in property, sales and transient occupancy taxes is largely as a result of the Mayor and City Council's leadership in support of economic development over the last decade; these efforts are bearing fruit for the City and its citizens. The more significant revenue increases are primarily a function of the energy crisis and the resulting moderate growth in gas and electric Utility Users Taxes (UUT). Gas Pipeline Franchise fee payments, however, have experienced dramatic growth due to the transport of natural gas through City pipelines by the Southern California Gas Company (SoCal Gas). This is discussed later in this transmittal. As a result of these higher revenues, there is projected to be a significant carryover amount available from the current fiscal year to help balance the FY 02 budget.

With regard to the UUT, on a budget to budget basis, the cost of electricity and natural gas for the City's own use has more than offset gains resulting from the increase in tax collected, resulting in a net cost to the City. Beyond that, the continued upswing in Gas Pipeline Franchise fees was unanticipated. I must emphasize that Long Beach ratepayers do not pay this fee; Southern California Gas Company pays these franchise fees for the right to transport gas to its customers through Long Beach pipelines. This revenue increase is a by-product of the near round-the-clock operations of generation plants in our area. The result of these increases and other economic factors is that revenues have far outpaced increased expenses through three full quarters of the current fiscal year.

Thus, these additional, unanticipated revenues have eliminated the FY 02 deficit that had been projected earlier this year. This unforeseen circumstance enables me to recommend budgetary options to provide relief to gas ratepayers and to fund worthy enhancements.

The natural gas component of the energy crisis has had an adverse impact on our ratepayers and, therefore, on all of our residents. There has been much discussion about using the Gas Fund to provide rate relief. The ability of the fund to provide meaningful relief is limited, however, by the need to maintain a reasonable fund balance for emergencies and to continue to augment municipal services.

Moreover, the UUT rate has been programmed for a five-percentage point, or 50%, reduction over a period of five years. In response to the energy crisis, the Mayor and City Council have already accelerated the reduction of the UUT from a rate of 9% to 8% six months sooner than required. I view a reduction of the UUT, rather than the use of the Gas Fund, as the most broad-based, practical and equitable means for providing further rate relief. As you are aware, reducing the UUT ahead of schedule on telephone and electricity requires a long lead-time in order to avoid the

costs chargeable to the City. However, we can make changes on the City's own utility bill within 30 days with no additional programming cost.

As a result, I have incorporated the following provisions in my proposed FY 02 budget for your consideration. I recommend a reduction of the UUT on natural gas as follows:

Effective Date	Rate	Estimated Revenue Loss	Calculation Period
July 1, 2001	7%	\$ 300,000	(3 mo.)
October 1, 2001	6%	\$2,368,750	(Full year)
April 1, 2002	5%	<u>\$ 514,499</u>	(6 mo.)
		\$3,183,249	

This will provide immediate relief to both residential and commercial ratepayers in time for the winter season. This, I believe, is responsive to the energy crisis in the most equitable and responsible manner.

Budget Enhancements

It should be noted that over \$5 million in enhancements were not funded or implemented during the current budget year. However, the proposed FY 02 budget includes \$8.4 million in program and/or service enhancements in the General Fund; due to identified offsets, the net cost to the General Fund is only \$2.5 million. This is because most General Fund enhancements are self-funded by ongoing or onetime cost savings and/or additional revenue available to offset the cost of the program increase.

Additional enhancements in other funds total \$4.5 million and are offset by either cost savings, additional revenue or from available fund balances, with a net cost of \$2.6 million. These enhancements are in addition to increases in departmental budgets required as a result of the negotiated employee labor agreements' costs and costs associated with the expiration of federal grants. Attachment A lists all proposed City Manager department enhancements.

In addition, I am recommending that approximately one-half million dollars of recreational programs that were begun in FY 01 with Mayor and City Council enhancement and discretionary funds be continued as listed in Attachment B.

The following highlights several significant budget changes and enhancements.

Capital Improvement Program:

(Please refer to the separate One-Year Capital Improvement Program document for details on capital budgets.)

- ❖ The Neighborhood Infrastructure Program will be continued with funding of \$3 million.
- ❖ The commitment to the disabled community through adherence to the Americans with Disabilities Act (ADA) Transition Plan will continue at \$3 million.
- ❖ The new Public Safety facilities discussed during FY 01 are included. The facilities include the Emergency Communications Operations Center, the Public Safety Building Retrofit, the Edison Building temporary Police Headquarters, the Police Lab and Property Warehouse and the North Division Substation.

- ❖ The Alley Study will be completed in FY 02 and submitted to the City Council for consideration.
- ❖ The slurry seal preventive street maintenance program will continue and is funded at \$1.6 million.

Business Related:

- ❖ A new Technology Business Division will be added in the Community Development Department to attract and retain new and emerging technology businesses throughout the City. (\$600,000)
- ❖ A Business Help Desk will be added in the Department of Planning and Building and staffed by an Ombudsman to help new businesses successfully navigate the processes of permitting and approvals in order to help them establish their business as soon and as smoothly as possible. (\$100,000)
- ❖ Two additional Building Inspectors will be added in the Department of Planning and Building which will also aid in the processing of permits. (\$203,980)
- ❖ An additional Fire Prevention Plan Checker and an additional Fire Prevention Inspector for new construction will be added to the Fire Department. This additional staffing will also help accelerate the processing of applications for permits. (\$174,777)
- ❖ A Diversity Outreach Officer will be added to the Department of Financial Management to enhance the City's outreach efforts to disadvantaged, minority, women-owned, and Long Beach businesses seeking to provide goods and services to the City through contracting opportunities. This position will improve the City's existing diversity outreach efforts. (\$106,165)

Public Safety Related:

- ❖ The Fire Department budget will be supplemented to ensure that emergency and personal safety equipment is replaced on a scheduled cycle. (\$267,865)
- ❖ Three additional Police Officers have been added to support the Task Force for Regional Autotheft Prevention, the California Methamphetamine Strategy Task Force and the Code Enforcement Incentive Program (CEIP) grant. The costs are offset by program and grant revenues. (\$241,174)
- ❖ Five additional Security Officers positions will be added for expanded Civic Center security and for monitoring other City sites. (\$257,500)
- ❖ Four Security Officers positions will be added for comprehensive Airport security as a result of increased airline activity. (\$169,364)
- ❖ Six additional defibrillators will be added to the City Hall complex for the protection of visitors and employees. (\$22,122)
- ❖ An Assistant Fire Chief will be added to oversee the third of three fire districts. (\$167,326)

Library and Recreation Related:

- ❖ The Library book and materials budget will be increased to provide additional resources to maintain the size and depth of the City collection. (\$200,000)
- ❖ The Burnett Branch Library will be open to the public 10 additional hours per week. The extended hours include an additional day (Monday) and an additional hour on Tuesday, Wednesday, and Thursday. The Teen program will also be expanded at Burnett in support of the Library's Strategic Plan. (\$136,100)
- ❖ Funding is included for development of three to four additional "Pocket Parks" in the City. These mini-parks provide needed leisure and recreational space in neighborhoods. (\$250,000)
- ❖ The Youth Sports Program (basketball, indoor soccer, flag football, softball, and volleyball) will be expanded to provide more coaches, as well as training for referees and officials and provide team t-shirts for participating youth. This enhancement ensures inclusion of all youth who apply, or approximately 10,000 participants. (\$150,000)
- ❖ Outreach by the Junior Golf program will be enhanced with additional clinics and exhibitions. (\$25,000)
- ❖ Staffing for the Mobile Skate parks will be enhanced and additional ramps, rails and safety equipment will be purchased. (\$50,000)
- ❖ A new Natural Resources Stewardship Program will be added which will facilitate natural resource conservation, education, and public information; perform planning, research, and management policy formation for open space and wetlands; and assist in the development of natural resources and restoration goals. (\$180,000)
- ❖ The Extended Day childcare programs at Houghton, Silverado and Veterans Parks will be enhanced with additional supervision and recreational supplies and equipment. The program is open to youth ages 5 -12. Children are walked to and from nearby schools, or can be transported by parents. (\$70,000)

Highlights of Other Continuing Recreation Programs:

- ❖ Middle School Teen Programs
Year-round after school drop-in programs will continue to be provided in FY 02 at the following six sites: Jefferson, Hamilton, Franklin, Lindbergh, and Stephens Middle Schools and Veterans Park Fishbowl. Other activities for youth ages 11-14 include drop-in programs at Ramona, Chavez, King, Admiral Kidd, MacArthur, Pan Am, and Scherer Parks. There are also numerous contract classes and camps available for youth (up to age 17) Citywide.
- ❖ Senior Programs
The Long Beach Senior Center, located at 4th and Orange, continues to thrive and is open Monday through Saturday. Features at the Center include a computer room, fitness room, game room, library, and gift and coffee shops. Seniors enjoy dances, special interest

clubs, nutrition and health programs. Senior activities are also provided at the El Dorado West, Houghton, Silverado, and California Recreation Centers. (\$780,000)

OTHER GENERAL FUND DEPARTMENTS

Budget enhancements in non-City Manager departments include an increase of 8.1 positions. These additions are described below:

- Mayor and City Council
A net increase of 2.1 FTE positions is proposed department-wide, which resulted from increases in part-time employee hours, partially offset by reductions in other classifications throughout the department.
- City Clerk
An additional 2.8 FTE temporary Election Employee positions have been included to staff next year's election.
- City Prosecutor
The budget includes an additional 3.2 FTE positions, of which the new Code Enforcement Grant supports two and the Community Prosecution Grant supports the balance.

OTHER FUNDS

Gas

The Gas Fund (Long Beach Energy Department) has been able to support the General Fund with an annual transfer of funds that were not needed to maintain gas utility operations. As permitted under the Charter, funds determined by the City Manager to be unnecessary to meet Gas Fund operating requirements may be transferred into the General Fund of the City as approved in the annual budget by the City Council. The transfer is in lieu of the amounts the City would receive in property taxes, franchise fees and other fees and taxes if the utility were privately owned.

The FY 02 budget assumes the planned transfer from the Gas Fund of \$12 million. You may recall that our Multi-Year Plan contemplated a reduction of the transfer each year. The budgeted amount for FY 01 is \$15 million. However, the expected transfer would only be \$14 million due to consumer relief approved by the City Council for low income seniors and low income disabled utility customers. On the advice of the City Attorney, we will transfer only \$6.0 million this year, and "escrow" the remaining \$8.0 million in the Gas Fund. The escrowed amount is equivalent to the percentage of gross revenues (53%) earned by the Gas Fund from December 2000 through March 2001, the period of extraordinarily high gas bills.

Health Fund

The Social Services Grant Program was established in 1985 by the City Council to support social service agencies in the City and is administered by the Health and Human Services Department. The source of the funding was originally the annual interest earned by the subfund that held the proceeds of the Pacific Hospital land sale and was estimated at \$450,000 annually. However, additional Health Department obligations have been paid out of the subfund over the years, requiring a draw on the principal portion as well.

The current proforma indicates that the subfund will be exhausted in FY 03. Staff is currently working on a plan to maintain the solvency of the grant program thereafter. The solution will likely involve a variety of revenue sources. The resolution of this issue will be presented to the City Council with the FY 03 proposed budget.

Tidelands

Revenue from oil operations will help generate sufficient carryover during the current fiscal year to help balance the FY 02 operating budget. The Tidelands Operations Fund finances a myriad of services in the Tidelands area including beach maintenance, lifeguards, fire, and police. The fund is dependent on the annual transfer from the Harbor Department of 10% of its net operating profit; we are grateful for their continued assistance. In addition, the Board of Water Commissioners has offered water service at no charge to those City Tidelands accounts without a dedicated revenue source and which are not enterprise functions. The value of this offer is estimated to be approximately \$100,000 to the Tidelands Fund. We thank the Board for their support in assisting the City to continue to maintain Tidelands services. The Water Board has also committed to study the feasibility of administering the Clean Water Act by assigning staff for FY 02 to the program.

Oil revenues are also a big factor in financing these services and, as the price of oil increases, the amount of the transfer to Tidelands increases. The FY 02 budget is constructed based on \$17 per barrel oil, which is the same as FY 01. Both these sources fluctuate yearly but, nonetheless, we have been able to balance the budget on a year-to-year basis.

Fee Adjustments

After considerable study, several fee adjustments are recommended to help offset the cost of specific services. All fee adjustments are listed in Attachment C of this letter. In addition, we are continuing to monitor and manage the Refuse Fund closely; it has not experienced a rate increase since 1995 in spite of increases in operating costs. An increase may be required in the next few years, depending on the financial condition of the Fund.

STATE BUDGET

As of the date of this writing, it has been announced that the legislature and Governor have adopted the State budget. It has been reported that several projects, including the Wrigley Heights park acquisition, the Colorado Lagoon Project, the Los Angeles River Project, Drake Park, and the Multi-Cultural Health Center, have received some level of funding for the City. City staff will confirm the facts relative to the State budget and communicate to the City Council subsequently concerning allocations to Long Beach.

OUTLOOK FOR FY 03

The near term outlook appears relatively stable. However, a deficit for FY 03 may occur should energy related revenues return to lower historical levels and also due to diminished UUT revenues. In addition, the State's fiscal situation is uncertain and a recession is forecasted by some; as a result, there was once again some discussion at the State level regarding the potential use of cities' revenues to help balance future State budgets. On the expense side, funding the cost of debt service for the new public safety facilities will be required, a major Police Department grant subsidy will terminate, and employee labor agreements are scheduled to expire at the end of FY 02.

Earlier during the current fiscal year (FY 01), based on October/November 2000 revenue performance, it appeared that a significant gap between projected FY 02 expenditures and revenues could be expected. At the time, the City had not yet felt the impact on revenue of the gas and energy crisis - the cost of natural gas had only recently increased, dramatically, and the State had not yet adopted electricity rate hikes or taken any action with regard to energy production. The result of the crisis has been felt both in increased costs for the City, and in unanticipated and significant increases in energy related City revenues. The largest, and most significant, revenue impact has been on the Gas Pipeline Franchise Fee, which is paid by SoCal Gas through its ratepayers.

We have assumed a continuation of the higher pipeline fee revenue into Fiscal Year 2002. However, I must caution that, a return of costs and usage to lower historical levels would result in lower pipeline franchise fees to the City. The pipeline fee is calculated based on the cost or price of natural gas and the volume transported through city pipelines by SoCal Gas. New gas field exploration could result in increased supply and lower natural gas prices. In addition, there is no way to determine today how the construction and operation of new energy plants will affect gas transport through Long Beach pipelines.

Finally, we have read recent good news that California energy usage, through conservation, has dropped by 12% in recent months. All of these efforts and trends could ultimately result in a reduction of City pipeline franchise fee revenue to lower historical levels. To place this in perspective, the FY 02 proposed budget includes a somewhat conservative projection of \$13 million in pipeline franchise fees, which represents a 27% reduction from the FY 01 projection but is still more than 160% above recent historical levels. Other revenues, such as the gas and electric UUTs, would also be affected by a return to historical cost levels. That occurrence would be terrific news for Long Beach gas and energy customers, but at the same time, could result in a gap, once again, between General Fund revenues and expenditures.

I believe that the City will begin to feel the impact of positive events with regard to the energy crisis in mid FY 02. While it is difficult at this time to state with any degree of certainty whether or not the FY 02 budget would be in jeopardy, it is likely that the FY 03 budget could be difficult to balance should energy related revenues decrease back to normal levels.

CONCLUSION

Although the California economy has slowed, and some are predicting a recession, good things are happening in Long Beach. The success of completed retail centers such as the Towne Center, Los Altos, Marina Pacifica, Wrigley Market Place and the Los Altos Gateway continue to generate much needed sales tax revenue for the City. City sales tax revenues are expected to total \$39.9 million by the end of the current fiscal year. Secured property tax revenues are also increasing and will total approximately \$42.8 million in FY 01, although this is still less than the high of \$49.5 million received in 1992, prior to the State's ERAF incursion on cities' property tax revenues.

We expect to end the current fiscal year with a substantial amount to carry over into FY 02. Since the impact of the State's budget is not entirely known, the FY 02 proposed budget has been prepared without assuming any reduction in those revenues that may be impacted by the final State budget. It is also assumed that current revenue trends will continue, but we will be cautious about the more volatile sources.

Throughout the last decade the City has been able to maintain basic services by diversifying revenue sources, seeking out grants and reducing expenses, while managing the challenge of rising costs. These continuing efforts will help sustain the City in the face of a slowing economy and in our quest to address the \$800 million in deferred infrastructure repair and construction, and in restoring library, recreation and other services that were reduced during the recession of the 1990s.

As examples of this progress, I am pleased to report that the construction of the new Companion Animal Village is completed and it will open in August 2001. The new Emergency Communications and Operations Center (ECOC) will break ground in October 2001. Also, the rebuilding of City Place, formerly the Long Beach Plaza, will be an important component in the revitalization of the downtown area this year, along with the Camden Property Trust, an apartment, condominium, office and hotel complex, which began construction last month.

I would like to thank the Mayor and the City Council for their guidance and direction in developing this budget, as well as the City employees who helped put it together, and the community for their input during the May/June workshops and at other public sessions. I look forward to discussing this proposed budget in detail during the public workshops and hearings that will take place in the coming weeks.

Respectfully submitted,

HENRY TABOADA
CITY MANAGER

ATTACHMENT A:	RECOMMENDED ENHANCEMENTS
ATTACHMENT B:	MAYOR AND CITY COUNCIL ENHANCEMENTS AND CONTINUING DISCRETIONARY PROGRAMS
ATTACHMENT C:	FEE CHANGES

HT:BT:AAH



Attachment A

PROPOSED RESOURCE ALLOCATION PLAN Fiscal Year 2002 City Manager Recommended Enhancements

Description of Enhancement <i>Offsets are cost reductions and/or new revenues</i>	General Fund Enhance- ments	General Fund Offsets	Net General Fund (Cost)/Savings	Net Other Funds (Cost)/Savings	* Strategic Plan Category
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Note: A zero (0) indicator in the "Net Other Funds" column indicates that the appropriation expense will be offset with new revenues or cost reductions.

City Manager

Management Assistant	(48,893)	0	(48,893)	0	E,N,Y
Administrative Assistant-City Manager	(132,334)	0	(132,334)	0	B,E,N, S,T,Y
Total Department	\$(181,227)	\$0	\$(181,227)	\$0	

Community Development

Technology Business Division/Economic Development	(600,000)	1,000,000	400,000	0	B
Public Information Officer	(2,059)	0	(2,059)	(100,919)	N,Y,B
Administrative Officer	(1,930)	1,513	(417)	(20,454)	N,Y,B
Replace vehicle	0	0	0	0	
0.33 FTE Clerk Typist -Property Services	(11,012)	0	(11,012)	(1,944)	B
Clerk Typist-Redevelopment	0	0	0	(39,382)	B
Total Department	\$(615,001)	\$1,001,513	\$386,512	\$(162,699)	

Financial Management

Meter Reading Contract Annual Increase	(100,000)	100,000	0	0	
Customer Identification Verification (POSID)	(8,000)	8,000	0	0	B
Financial System Upgrade	0	0	0	0	B
Remote Payment Stations Upgrade	(90,000)	90,000	0	0	B
Phase II DBE/MBE/WBE Outreach Program	(75,000)	52,500	(22,500)	0	B
Administrative Analyst III	(36,820)	36,820	0	(52,980)	B
Interactive Voice Response System Replacement	(145,801)	145,801	0	0	B
Total Department	\$(455,621)	\$433,121	\$(22,500)	\$(52,980)	

Fire

Swift Water Rescue Equipment	(26,705)	26,705	0	0	S
Self Contained Breathing Apparatus	(61,000)	61,000	0	0	S
Zoll Monitors/Defibrillators/AED Units	(75,160)	75,160	0	0	S
Nozzles, Eductors, and Fittings	(50,000)	50,000	0	0	S
Safety Clothing	(55,000)	55,000	0	0	S
Administrative Officer	(98,537)	74,525	(24,012)	0	
Fire Fighter Exam Video Testing	(50,000)	50,000	0	0	S
Wellness Program	(22,500)	22,500	0	0	S
Employee Recognition Program	(10,000)	10,000	0	0	
Mobile Data Terminals	(100,000)	76,610	(23,390)	0	S
Equipment Testing	(30,000)	30,000	0	0	S
Fully Fund 24 Recruit Drill Class	(99,684)	116,629	16,945	0	S
0.6 FTEs Lifeguards-NC	0	0	0	8,186	S
Increase Junior Lifeguard Supplies	0	0	0	0	Y,S

* Strategic Plan Categories:

B = Business Growth & Workforce Development
E = Environmental
N = Neighborhood Development

S = Community Safety
T = Network Technology and Neighborhood Development
Y = Education & Youth

Attachment A

PROPOSED RESOURCE ALLOCATION PLAN
Fiscal Year 2002
City Manager Recommended Enhancements

Description of Enhancement <i>Offsets are cost reductions and/or new revenues</i>	General Fund Enhance- ments	General Fund Offsets	Net General Fund (Cost)/Savings	Net Other Funds (Cost)/Savings	* Strategic Plan Category
<u>Fire (continued)</u>					
Interactive Computer Based Training	(17,000)	17,000	0	0	S
Virtual Set-Fire Training	(15,000)	15,000	0	0	S
Hazardous Materials Inspector	0	0	0	1,279	S
Plan Checker-Fire Prevention	(70,000)	70,000	0	0	B,S
Fire Prevention Inspector-New Construction	(104,777)	110,000	5,223	0	B,S
Assistant Chief	(167,326)	0	(167,326)	0	S
Mobile Computer Lab	(12,836)	12,836	0	0	S
Total Department	\$(1,065,525)	\$872,965	\$(192,560)	\$9,465	
<u>Health and Human Services</u>					
Code Enforcement Program Grant Staff	(57,628)	57,628	0	0	N,S
Vehicle	0	0	0	0	
Total Department	\$(57,628)	\$57,628	\$0	\$0	
<u>Human Resources & Affirmative Action</u>					
Purchase (6) defibrillators-City Hall	0	0	0	(22,122)	S
Purchase of Occupational Health and Safety Management System	0	0	0	(200,000)	B
Total Department	\$0	\$0	\$0	\$(222,122)	
<u>Library Services</u>					
Funding for Two First Year Family Learning Centers	(100,000)	100,000	0	0	Y,S,N
Ongoing Funding for Ten Family Learning Centers	(250,000)	250,000	0	0	Y,S,N
Books-on-Tape	(5,000)	5,000	0	0	N
Funding-Resources/Book Budget	(200,000)	0	(200,000)	0	N,Y
Expansion of Hours & Teen Program at Burnett Branch	(136,100)	0	(136,100)	0	Y,S
Site Preparation for Two Family Learning Centers	(10,000)	0	(10,000)	0	Y,S,N
Total Department	\$(701,100)	\$355,000	\$(346,100)	\$0	
<u>Long Beach Energy Department</u>					
Automated Recycling Program	0	0	0	(696,362)	E
Increase Refuse Collection Automation	0	0	0	(200,000)	N
Fleet Benchmarking Study and Analysis	0	0	0	0	
Enhanced Refuse Customer Service/Hotline	0	0	0	(7,033)	N
Administrative Analyst II	0	0	0	(2,680)	
Enhanced Environmental Education Outreach	0	0	0	0	N
Electrician	0	0	0	0	
Consultant -Utility Financing	0	0	0	(30,000)	
Computer Support	0	0	0	(34,736)	
Total Department	\$0	\$0	\$0	\$(970,811)	

*** Strategic Plan Categories:**

B = Business Growth & Workforce Development
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Attachment A

PROPOSED RESOURCE ALLOCATION PLAN Fiscal Year 2002 City Manager Recommended Enhancements

Description of Enhancement <i>Offsets are cost reductions and/or new revenues</i>	General Fund Enhance- ments	General Fund Offsets	Net General Fund (Cost)/Savings	Net Other Funds (Cost)/Savings	* Strategic Plan Category
--------------------------------------------------------------------------------------	--------------------------------------	----------------------------	---------------------------------------	--------------------------------------	------------------------------------

Oil Properties

Petroleum Engineer II	0	0	0	0	E
Vehicle	0	0	0	0	
Total Department	\$0	\$0	\$0	\$0	

Parks, Recreation and Marine

"Pocket Parks" Development	(250,000)	0	(250,000)	0	N,Y
Increases for Contractual Agreements	(208,419)	0	(208,419)	0	N
Maintenance of New Park Areas	(49,262)	0	(49,262)	0	N
Youth Sports Coaches and Team Uniforms	(150,000)	150,000	0	0	Y
Adjustments to Beach Maintenance Staffing	0	0	0	(114,146)	N
Natural Resources Stewardship and Planning	(180,000)	180,000	0	0	N
Special Projects Officer	(104,500)	104,500	0	0	N
City Wide Special Events	0	0	0	(25,000)	N
Ball field Lighting Control Program	(25,000)	0	(25,000)	0	N
Mobile Skate Park Staffing	(50,000)	50,000	0	0	Y,N
Enhance Junior Golf Program	(25,000)	25,000	0	0	Y,N
Grant Writing and Research Services	(45,000)	45,000	0	0	N,E
Staff-Monitoring of Facility Reservations	(52,000)	52,000	0	0	N
Extended Day Program-Recreation Assistants	(70,000)	70,000	0	0	Y
Capital Improvement Program	(30,000)	30,000	0	0	N
Electrician	(61,598)	61,598	0	0	N
Marina Agent III	0	0	0	864	
Total Department	\$(1,300,779)	\$768,098	\$(532,681)	\$(138,282)	

Planning and Building

Planner III-Major Projects	(100,505)	100,505	0	0	B
2 Combination Building Inspectors	(203,980)	0	(203,980)	0	B
Clerk Typist III-Engineering Plan Check	(60,703)	0	(60,703)	0	B
Clerical Support-Historic Preservation	(7,860)	7,860	0	0	N
Professional Architectural Review	(100,000)	100,000	0	0	B
Code Enforcement Grant- 2 Combination Building Inspectors and 0.5 Planner II	(266,650)	180,767	(85,883)	0	N,S
Help Desk/Ombudsman Services	(100,000)	0	(100,000)	0	B
Total Department	\$(839,698)	\$389,132	\$(450,566)	\$0	

* **Strategic Plan Categories:**

B = Business Growth & Workforce Development
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Attachment A

PROPOSED RESOURCE ALLOCATION PLAN
Fiscal Year 2002
City Manager Recommended Enhancements

Description of Enhancement <i>Offsets are cost reductions and/or new revenues</i>	General Fund Enhance- ments	General Fund Offsets	Net General Fund (Cost)/Savings	Net Other Funds (Cost)/Savings	* Strategic Plan Category
Police					
5 Security Officer IIs for expanded City Hall					
Security and monitoring of other sites	(257,500)	0	(257,500)	0	S
Add 7 Maintenance Assistant IIs-Edison Building	(291,500)	0	(291,500)	0	
2 Police Officers –Interagency Task Force	(155,300)	77,650	(77,650)	0	S
6 Maintenance Assistant I - Non Career	(139,400)	0	(139,400)	0	
2 “GO-4” Vehicles	(49,444)	50,000	556	0	B,S
Facility Rent Increases	(387,044)	0	(387,044)	0	S
Police officer – CEIP grant	(85,874)	59,038	(26,836)	0	N,S
Browser Based Records Management System	(70,000)	70,000	0	0	
Total Department	\$(1,436,062)	\$256,688	\$(1,179,374)	\$0	
Public Works					
0.3 FTE Admin Intern Engineering	(8,473)	8,473	0	0	N,Y
Maintenance Assistant II-Parking Meter Audit	(35,963)	14,745	(21,218)	0	B,N
Used Vehicles	(40,082)	40,082	0	0	N
0.33 FTE Accounting Clerk-Admin	(17,325)	17,325	0	0	B,N
Transfer Building Refurbishment Re-Roofing	(295,250)	295,250	0	0	S
CIPs to Engineering Operating Budget					
2 Security Officer IIIs and 2 Security Officer IIs (Non Career)-Airport	0	0	0	(81,864)	B
Maintenance Assistant II- Airport	0	0	0	(40,218)	B
Senior Traffic Engineer -Traffic & Transportation	0	0	0	0	N
Building Maintenance Engineer, Mechanical Supervisor, Non-Personal and Internal Services-Edison Building	0	0	0	(960,548)	S
Total Department	\$(397,093)	\$375,875	\$(21,218)	\$(1,082,630)	
Technology Services					
3 Business Systems Specialist V	0	0	0	0	
Systems Support Specialist II	0	0	0	0	
Parking operation contract and 0.5 FTE Clerk Typist III (City Place)	(1,351,408)	1,351,408	0	0	
Property Information Data Store	0	0	0	0	
Online Service Request Systems	0	0	0	0	T,N
Long Beach Community System	0	0	0	0	T,N
Data Access Software	0	0	0	0	
Total Department	\$(1,351,408)	\$1,351,408	\$0	\$0	
TOTAL CITY MANAGER DEPARTMENTS	<u>\$(8,401,142)</u>	<u>\$5,861,428</u>	<u>\$(2,539,714)</u>	<u>\$(2,620,059)</u>	

* **Strategic Plan Categories:**

B = Business Growth & Workforce Development
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Attachment B

PROPOSED RESOURCE ALLOCATION PLAN
Fiscal Year 2002

Mayor and City Council Enhancements and Continuing Discretionary Programs

PROGRAM	COST
After-School Recreation Funding for after-school programs at four City parks.	\$70,000
Art Lessons at Miracle on 4th Street Park Art classes for youth at Miracle on 4 th Street Park.	25,000
Arts Enrichment at California Recreation Center Art, music and dance instruction at California Recreation Center for youth.	8,400
Arts Enrichment at Martin Luther King, Jr. Park Art, music and dance instruction at Martin Luther King, Jr. Park for youth	8,400
College Estates Park Youth Sports Support increased staffing for free youth sports programs at College Estates Park.	3,500
Coolidge Park Youth Sports Increased staffing for free youth sports programs at Coolidge Park.	1,000
DeForest Park Youth Sports Increased staffing for free youth sports programs at DeForest Park.	1,000
DeForest Park, Snow Hill Day Snow Hill Day at DeForest Park.	2,800
Drake Park Youth Sports Coaching and equipment for increased demand for youth sports programs at Drake Park.	10,000
Folklorico Instruction Folklorico dance instruction for area residents.	5,800
Houghton Park Senior Tours Transportation for 24 Houghton Park Senior field trips.	3,600
Houghton Park Youth Sports Increased staffing for free youth sports programs at Houghton Park.	11,000
Jefferson Middle School Program Staff, supplies and technologies for an after-school program at Jefferson Middle School.	30,000
Lawn Bowling Facility at Recreation Park Ongoing maintenance of facility.	35,000
Lawn Bowling Recreation Program Senior lawn bowling program at Recreation Park.	25,000
Midnight Basketball Midnight Basketball for youth and young adults at California Recreation Center.	15,000
OlympiKids OlympiKids for Fitness programming at five elementary schools.	41,715
Public Use Computers Public use computers for youth and teen programs.	5,000
Ramona Park Youth Sports Increased staffing for free youth sports programs at Ramona Park.	7,000
Senior Transportation Shuttle bus program for seniors from park-based senior centers to various locations.	50,000
Teen Volunteer/Youth Mentor Program Staff and supplies for Teen Volunteer/Youth Mentor Program.	21,600
Veterans Park Middle School Teen Program Supervised recreation, sports and homework assistance at Veterans Park for teens.	42,000
Whaley Park Youth Sports Increased staffing for free youth sports programs at Whaley Park.	6,500
Youth Services Coordination Maintain a youth-oriented Website, after-school directory, and other youth programs.	10,000
TOTAL	\$439,315

Attachment C

PROPOSED RESOURCE ALLOCATION PLAN Fiscal Year 2002 **Recommended Fee Adjustments**

General Fund

The following are proposed fee adjustments in the General Fund:

FEE	REVENUE
<ul style="list-style-type: none"> <i>Unpaid Parking Violations Collection Agency Fee</i> This proposed fee would be charged to the hard-to-collect parking violations that are sent to a specialized collection agency. The fee would average about \$20 per citation and would recapture the 30% charge paid by the City to the agency. The fee is only applied to those citations referred to the agency and include citations to rental cars, out-of-state cars, and where the ownership has changed since the citation was issued. (Financial Management) 	\$135,000
<ul style="list-style-type: none"> <i>Fire Prevention Plan Check Review Fee</i> The fee increase will fund an additional Fire Prevention Plan Checker and an additional Fire Prevention Inspector for new construction in the Fire Department. This additional staffing will also help accelerate the processing of applications for permits in response to customer feedback. The fee would increase from 32% of the Planning and Building Plan Check fee to 50%. The fee has not been adjusted since 1990. (Fire) 	\$180,000
<ul style="list-style-type: none"> <i>Specialized Library Technical Assistance Fee</i> A proposed fee of \$30 per hour would be assessed to groups using Library facilities that require computer connections and specialized equipment. (Library Services) 	\$300
<ul style="list-style-type: none"> <i>Certificate of Appropriateness and Mills Act Applications Fee</i> A Certificate of Appropriateness is required for all physical changes to the exterior of properties designated by the City Council as historic. This includes individual historic landmarks and homes in historic districts. The Mills Act is a legal contract between an owner of a qualified historic property and the City that involves certain historic preservation obligations and restrictions in return for a reduced property tax assessment. The processing of a Mills Act Historic Property Contract involves considerable staff time and therefore a fee of \$375 has been recommended. Other fees include: Fence @\$10; Foundation @\$10; Projects with Minimum Architectural Review @\$50; Major Architectural Review @\$100; Repainting @\$10; New Construction @\$250; Commercial Signage @\$25; and Demolition @\$1,000. (Planning and Building) 	\$8,430

The following fees are subject to approval by the Recreation Commission and are included in the FY 02 budget of the Parks, Recreation and Marine Department:

<ul style="list-style-type: none"> <i>Facility Reservation Fee</i> The hourly staff rate has not been adjusted since 1991; the new rate will increase from \$13 to \$16.50 an hour, which represents the change in the CPI. 	\$5,000
<ul style="list-style-type: none"> <i>Contract Class Administration Fee</i> A \$1 administration fee will be added to the tuition for contract classes, to help offset the cost of facility use and maintenance. 	\$33,000
<ul style="list-style-type: none"> <i>Daily Fee for Day Camp</i> A new daily fee will be established in addition to the current weekly fee for Day Camp participants. The new fee allows more flexibility for families and is not expected to have an impact on revenues. 	\$0

Attachment C

PROPOSED RESOURCE ALLOCATION PLAN

Fiscal Year 2002

Recommended Fee Adjustments

FEE	REVENUE
<ul style="list-style-type: none"> <i>Security Guard Fees for Facility Rentals</i> Security Guards are required for large groups when renting City facilities. The fee will increase from \$15 to \$16 per hour and from \$22.50 to \$24.00 for overtime services. The increase will help offset administrative costs of scheduling security and processing payments. 	\$400
<ul style="list-style-type: none"> <i>Reservation Cancellation Fee</i> Cancellations on short notice are usually difficult to re-book and require additional staff time. The fee applies only if the cancellation is less than the allowed 20 days. 	\$800
<ul style="list-style-type: none"> <i>Voluntary Youth Sport Participant Fee</i> Participation in the Youth Sports Program (basketball, indoor soccer, flag football, softball, and volleyball) has risen to a level that requires additional resources in order not to turn children away. A nominal fee of \$20 will be requested, with fee waivers available by self-certification. The fee is less than charged for similar programs in other cities. The revenue will allow the program to be expanded to provide more coaches, as well as training for referees and officials and provide team t-shirts for participating youth. 	\$150,000
TOTAL General Fund Revenue	\$512,930

Non-General Fund

The following are proposed fee adjustments in other funds:

<ul style="list-style-type: none"> <i>Underground Storage Tanks/Hazardous Materials Permit Fees</i> New State legislation mandates the inspection of these facilities by the City annually rather than every three years. The fee increase will fund an additional Fire Inspector position to complete these inspections. The fee will increase from \$110 per tank plus \$25 for each additional tank to \$185 per tank. Most of the surrounding jurisdictions are significantly higher, with the average at \$280 per tank. (Fire; CUPA Fund) 	\$94,000
<ul style="list-style-type: none"> <i>Gas Main and Service Line Fees</i> This proposed fee would enable better recovery of actual expenses incurred by the City for developer-funded installation and extension of natural gas distribution construction projects. (Long Beach Energy; Gas Fund) 	\$100,000
<ul style="list-style-type: none"> <i>Priority User Gas Service Fee</i> Current customer assistance for gas services allows next-day service within a two-hour appointment window. The proposed fee would allow customers the option of scheduling same-day service or schedule a time outside of normal service hours. The added convenience would be beneficial to many customers, and the fee charged would be \$25 per service call. The premium service program is similar to one offered by the Southern California Gas Company. (Long Beach Energy; Gas Fund) 	\$50,000
<ul style="list-style-type: none"> <i>Decrease in Hazardous Materials Program Fee</i> The proposed reduction is from \$53 annually to \$25 for monitoring compliance with regulations of the Medical Waste Management Act. The decrease reflects the actual cost of managing this inspection and education program and is consistent with other jurisdictions. The program tracks the medical waste handling and disposal practices of approximately 1,000 medical offices in the City. (Health and Human Services; Health Fund) 	(\$23,000)

Attachment C

PROPOSED RESOURCE ALLOCATION PLAN

Fiscal Year 2002

Recommended Fee Adjustments

FEE	REVENUE
<ul style="list-style-type: none"> <i>Health Water Program Reviews and Inspections Fees</i> The following proposed fees offset the cost of the review and inspections: <ul style="list-style-type: none"> - A fee of \$135 per well for plan check services on Soil Boring, Geoprobes, or Push Probes structures that are used to collect soil or water samples. This service protects the water table of the City. \$10,125 - A proposed fee of \$180 would be assessed for plan check and monitoring of cathodic wells. This service protects the water table in the City. \$4,500 - A fee of \$90 is proposed for providing plan check of remodeling or replaster of public/commercial swimming pools. This service evaluates the safety of the pool. (Health and Human Services; Health Fund) \$900 	
<ul style="list-style-type: none"> <i>Custom Data Retrieval Fee</i> A fee of \$30 per hour is proposed to be assessed to patrons requesting information from the Community Resource File Directory that requires custom computer programming or data base queries. (Library Services; Civic Center Fund) 	\$300
<ul style="list-style-type: none"> <i>Reduction of Marina Leave of Absence Fee</i> This reduces the current fee from \$100 per 6-month leave to \$50. This fee allows a permittee to return to the marina and be entitled to the next available slip space. (Parks, Recreation and Marine; Marina Fund) 	(\$450)
<ul style="list-style-type: none"> <i>Marina Slip Fee CPI Adjustment</i> Marina slip fees have not been increased since 1991. The proposed fee increase would be based on the April CPI and not be effective until October 2002. Increased revenues of \$324,000 will not be realized until FY 03. Parks, Recreation and Marine; Marina Fund) 	\$0
<ul style="list-style-type: none"> <i>Marina Yard Storage Space Rental Fee</i> This fee is for storage space rental to marina-related organizations. The fee would be \$0.10 per foot per month for non-profit organizations and \$0.20 for for-profit organizations. (Parks, Recreation and Marine; Tidelands Operations Fund) 	\$500
<ul style="list-style-type: none"> <i>Basin 8 Fee</i> This new state of the art marina is scheduled to open in Spring 2002. The proposed fee for vessels is \$18 per foot per month. (Parks, Recreation and Marine; Marina Fund) 	\$94,000
<ul style="list-style-type: none"> <i>Waiver of CPI Adjustment to Airport Rates and Fees</i> The current airport fee resolution includes a CPI increase to be applied to landing fees, gate use fees, terminal ramp parking fees, common area use fees, filming fees and fuel flowage fees. Maintaining current rates and fees in relationship to airline activity is recommended. (Public Works; Airport Fund) 	\$0
<ul style="list-style-type: none"> <i>Airport Security and Special Request Rates and Fees Adjustments</i> Adjustments to various rates and fees to offset actual expenses for staff time and cost of security materials and processing of conditional use permits. New fees are proposed for gate cards (\$50) and airfield decal or boarding lounge gate key (\$25) not returned. (Public Works; Airport Fund) 	\$5,000

**Appropriation Ordinance
and Resolutions**

Appropriations

Appropriations Limit

Harbor Department Resolution

Water Department Resolution



Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

ORDINANCE NO. C-7763

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH APPROVING AND ADOPTING
THE OFFICIAL BUDGET OF THE CITY OF LONG BEACH
FOR THE FISCAL YEAR 2001-02, CREATING AND
ESTABLISHING THE FUNDS OF THE MUNICIPAL
GOVERNMENT OF THE CITY OF LONG BEACH AND
APPROPRIATING MONEY TO AND AUTHORIZING
EXPENDITURES FROM SAID FUNDS FOR SAID FISCAL
YEAR; DECLARING THE URGENCY THEREOF, AND
PROVIDING THAT THIS ORDINANCE SHALL TAKE
EFFECT AT 12:01 A.M. ON OCTOBER 1, 2001

The City Council of the City of Long Beach ordains as follows:

Section 1. The City Manager's Recommended Budget which was
submitted to the City Council on August 15, 2001 by the Mayor, and which constitutes
the preliminary budget for the fiscal year beginning October 1, 2001, as amended, is
hereby adopted as the official budget of the City of Long Beach for fiscal year 2001-02.

Sec. 2. The amounts appropriated in Sections 3 and 4 shall govern
and control the expenditures for fiscal year 2001-02 of the several fund types, funds,
departments, offices and agencies stated therein. Said amounts conform to the
adopted budget of the City of Long Beach as set forth in Section 1. All detailed
schedules and other data set forth in the City Manager's Recommended Budget other
than those mentioned in this ordinance are provided for information purposes only and
are not intended to limit expenditures.

Sec. 3. The Funds specified in Exhibit "A" are hereby established,
those of such funds not otherwise created are hereby created, and the specified sums

1 of money set forth opposite the names of said funds are hereby appropriated and
2 authorized to be spent in 2001-02, all of which sums are based on the approved and
3 adopted budget.

4 Sec. 4. The specified sums of money set forth opposite the names
5 of the following departments, offices and agencies in Exhibit "B" are hereby
6 appropriated and authorized to be spent in fiscal year 2001-02, all of which sums are
7 based upon the approved and adopted budget.

8 Sec. 5. This is an emergency measure and is urgently required for
9 the reason that in order to carry on the affairs, functions and business of the City of
10 Long Beach during the fiscal year which begins on October 1, 2001, it is necessary to
11 authorize the expenditure of monies required for such purposes. Currently, no authority
12 exists to pay the salaries and wages of the officers and employees of said City or to
13 make the necessary purchases of supplies, equipment and services to carry on the
14 affairs, functions and business of said City in the forthcoming fiscal year. Commencing
15 on October 1, 2001 it will be necessary for the City of Long Beach to make certain
16 payments on the principal and interest of the bonded indebtedness of said City and to
17 meet the payrolls of the various departments of said City, including the Police, Fire and
18 Health Departments.

19 In order that said obligations may be met when due and payable and said
20 expenditures may be made, it is necessary that this ordinance be passed as an
21 emergency measure, to take effect at 12:01 a.m. on October 1, 2001.

22 Sec. 6. If any section, subsection, subdivision, sentence, sum,
23 percentage, clause or phrase of this ordinance is for any reason held to be
24 unconstitutional, invalid or void, such decision shall not affect the validity of the
25 remaining portions of this ordinance. The City Council hereby declares that it would
26 have passed this ordinance, and every section, subsection, subdivision, sentence, sum,
27 percentage, clause and phrase thereof, irrespective of the fact that any one or more
28 sections, subsections, subdivisions, sentences, sums, percentages, clauses or phrases

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

10 I hereby certify that on a separate roll call and vote which was taken by
11 the City Council of the City of Long Beach upon the questions of the emergency of this
12 ordinance at its meeting of September 18, 2001 the ordinance was
13 declared to be an emergency by the following vote:

20 Absent: Councilmembers: None.

28 |||

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City Attorney of Long Beach
333 West Ocean Boulevard
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Telephone (562) 570-2200

1 Long Beach by the following vote:

2 Ayes: Councilmembers: Lowenthal, Baker, Colonna,
3 Carroll, Kell, Richardson-Batts,
4 Grabinski, Webb, Shultz.

5
6 Noes: Councilmembers: None.

7
8 Absent: Councilmembers: None.

9
10
11 I further certify that the foregoing ordinance was thereafter adopted on
12 final reading of the City Council of the City of Long Beach at its meeting of
13 _____, 2001, by the following vote:

14 Ayes: Councilmembers: _____
15 _____
16 _____
17 _____

18 Noes: Councilmembers: _____

19
20 Absent: Councilmembers: _____
21 _____

22
23 _____
24 City Clerk

25 Approved: _____ (Date) _____ (Mayor)

26
27 HAM:fl
28 8/24/01
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EXHIBIT A

FISCAL YEAR 2002 APPROPRIATIONS ORDINANCE BY FUND

<u>FUND</u>	<u>FY 02 NEW ALLOCATION</u>	<u>FY 01 ESTIMATED CARRYOVER</u>	<u>FY 02 APPROPRIATION</u>
GENERAL FUND	\$ 357,562,464	\$ -	\$ 357,562,464
HEALTH FUND	28,385,049	17,986,862	46,371,911
PARKING & BUSINESS AREA IMPROVEMENT FUND	1,888,000	-	1,888,000
SPECIAL ADVERTISING & PROMOTION FUND	6,978,426	-	6,978,426
UPLAND OIL FUND	8,563,500	-	8,563,500
HOUSING DEVELOPMENT FUND	4,986,326	4,329,403	9,315,729
BELMONT SHORE PARKING METER FUND	475,237	-	475,237
BUSINESS ASSISTANCE FUND	2,120,229	-	2,120,229
COMMUNITY DEVELOPMENT GRANTS FUND	33,665,724	34,486,232	68,151,956
PARK DEVELOPMENT FUND	906,295	-	906,295
GAS TAX STREET IMPROVEMENT FUND	12,019,628	21,729,323	33,748,951
TRANSPORTATION FUND	11,370,136	13,229,303	24,599,439
CAPITAL PROJECTS FUND	27,169,210	73,859,522	101,028,732
CIVIC CENTER FUND	31,138,560	17,491,218	48,629,778
GENERAL SERVICES FUND	36,974,058	-	36,974,058
FLEET SERVICES FUND	35,235,235	2,379,917	37,615,152
INSURANCE FUND	32,325,819	-	32,325,819
EMPLOYEE BENEFITS FUND	109,610,085	-	109,610,085
TIDELAND FUND	84,210,798	24,853,556	109,064,353
TIDELAND OIL REVENUE FUND	20,577,122	-	20,577,122
GAS FUND	108,619,928	10,635,231	119,255,159
AIRPORT FUND	19,461,423	10,584,710	30,046,133
REFUSE/RECYCLING FUND	32,724,424	-	32,724,424
SERRF FUND	49,335,010	-	49,335,010
TOWING FUND	5,777,676	-	5,777,676
PARKING AUTHORITY FUND	508,855	-	508,855
HOUSING AUTHORITY FUND	42,318,636	-	42,318,636
REDEVELOPMENT FUND	36,641,076	9,262,954	45,904,030
CUPA FUND	836,294	-	836,294
TOTAL	\$ 1,142,385,223	\$ 240,828,230	\$ 1,383,213,454

EXHIBIT B

FISCAL YEAR 2002 APPROPRIATIONS ORDINANCE BY DEPARTMENT

<u>DEPARTMENT</u>	<u>FY 02 NEW</u> <u>ALLOCATION</u>	<u>FY 01 ESTIMATED</u> <u>CARRYOVER</u>	<u>FY 02</u> <u>APPROPRIATION</u>
MAYOR AND COUNCIL	\$ 4,424,864	\$ -	\$ 4,424,864
CITY ATTORNEY	8,555,886	-	8,555,886
CITY AUDITOR	2,367,166	-	2,367,166
CITY CLERK	3,396,146	-	3,396,146
CITY MANAGER	10,509,571	-	10,509,571
CITY PROSECUTOR	4,184,021	-	4,184,021
CIVIL SERVICE	2,568,504	-	2,568,504
COMMUNITY DEVELOPMENT	132,013,909	53,434,696	185,448,605
FINANCIAL MANAGEMENT*	249,279,356	-	249,279,356
FIRE	65,368,021	-	65,368,021
HEALTH AND HUMAN SERVICES	34,406,965	17,986,862	52,393,827
HUMAN RESOURCES AND AFFIRMATIVE ACTION	6,741,342	-	6,741,342
LIBRARY SERVICES	13,484,951	-	13,484,951
LONG BEACH ENERGY	217,053,539	9,029,155	226,082,693
OIL PROPERTIES	24,518,804	-	24,518,804
PARKS, RECREATION AND MARINE	42,529,101	-	42,529,101
PLANNING AND BUILDING	11,517,917	-	11,517,917
POLICE	141,363,930	-	141,363,930
PUBLIC WORKS	134,456,954	160,377,518	294,834,472
TECHNOLOGY SERVICES	36,515,483	-	36,515,483
TOTAL	\$ 1,145,256,431	\$ 240,828,230	\$ 1,386,084,662

* Department of Financial Management includes Water, Sewer and Harbor Fund internal service charges that are contained in the appropriations ordinances of those funds.

RESOLUTION NO. C-27906

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH ADOPTING AN APPROPRIATIONS
LIMIT FOR THE CITY OF LONG BEACH FOR THE 2001-
2002 FISCAL YEAR PURSUANT TO ARTICLE XIII(B) OF
THE CALIFORNIA CONSTITUTION

WHEREAS, Article XIII(B) of the California Constitution provides for an
annual appropriations limit for state and local governments beginning with the 1980-81
fiscal year, based on 1978-79 appropriations, as adjusted for specified annual changes
in population and inflation; and

WHEREAS, Section 7910 of the Government Code also provides that 15
days prior to such meeting, documentation used in the determination of the
appropriations limit shall be available to the public; and that each year the City Council
shall, by resolution, establish the appropriations limit for the City of Long Beach for the
following fiscal year; and

WHEREAS, Proposition 111 subsequently amended Article III(B) of the
California Constitution to provide for certain revisions in the population and inflation
factors used in the calculation of the appropriations limit and to provide for a
recalculation of the appropriation limit date for the years 1987-88 through 1990-91; and

WHEREAS, Proposition 111 provided that one factor that may be used in
the calculation of the appropriations limit is the increase in local non-residential
assessed value due to new construction for the years 1987-88 through 1992-93; and

WHEREAS, the documentation which is attached hereto and made a part
hereof as Exhibit "A" was used in the determination of the appropriations limit for the
2001-2002 fiscal year, and has been available for public inspection in the office of the
City Clerk since August 20, 2001;

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 NOW, THEREFORE, the City Council of the City of Long Beach resolves
2 as follows:

3 Section 1. The appropriations limit for the City of Long Beach for fiscal
4 year 2001-2002 shall be \$422,201,474.00

5 Sec. 2. This resolution shall take effect immediately upon its
6 adoption by the City Council, and the City Clerk shall certify the vote adopting this
7 resolution.

8 I hereby certify that the foregoing resolution was adopted by the City
9 Council of the City of Long Beach at its meeting of September 4, 2001, by the
10 following vote:

11 Ayes: Councilmembers: Lowenthal, Baker, Colonna,
12 Carroll, Kell, Richardson-Batts,
13 Grabinski, Webb, Shultz.

14
15 Noes: Councilmembers: None.

16
17 Absent: Councilmembers: None.

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20 
21 City Clerk

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27 HAM:fl
8/23/01

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"EXHIBIT A"

CITY OF LONG BEACH

I. DETERMINATION OF FISCAL YEAR 2001-2002

APPROPRIATIONS LIMIT

Based On Budgeted Revenues

2000-2001 Appropriations Limit:		\$386,402,136
Adjustment Factor (See Below):	x	1.092648
2001-02 Appropriations Limit:		\$422,201,474

II. DETERMINATION OF APPROPRIATIONS FACTOR

Price Factor:	1.078200
Change in Per Capita Income	
Department of Finance estimate pursuant	
to Revenue Tax Code, Sec. 2227 and	
2228, California = 7.82%	
Ratio = $(7.82 + 100)/100 = 1.0782$	
Population Change:	1.013400
Department of Finance estimate pursuant	
to Revenue Tax Code, Sec. 2227 and 2228,	
California = 1.34%	
Ratio = $(1.34 + 100)/100 = 1.0134$	
Adjustment Factor:	1.092648
1.0782 x 1.0134	
Factors were converted to ratios	
per State guidelines.	

RESOLUTION NO. C-27897

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF LONG BEACH APPROVING THE 2001-2002 BUDGET OF
THE LONG BEACH HARBOR DEPARTMENT

WHEREAS, Ordinance No. C-7300 of the City Council establishes the fiscal
year of the City as beginning on October 1 and ending on September 30 of the following
year; and

WHEREAS, the annual budget of the Long Beach Harbor Department for the
2001-2002 fiscal year was adopted by the Board of Harbor Commissioners in its meeting
of July 23, 2001 by minute order; and

WHEREAS, said annual budget has been filed with the City Clerk for
presentation to the City Council and with the City Auditor pursuant to the provisions of
Section 1210 of the Charter of the City of Long Beach;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as
follows:

Section 1. The annual budget of the Long Beach Harbor Department for the
2001-2002 fiscal year, adopted by the Board of Harbor Commissioners in its meeting of
July 23, 2001 by minute order, a copy of which is attached hereto and made a part hereof
by reference, is hereby approved pursuant to the provisions of Section 1210 of the Charter
of the City of Long Beach.

Sec. 2. The City Clerk shall file a certified copy of said budget, as approved,
with the Board of Harbor Commissioners and the City Auditor.

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Sec. 3. The City Clerk shall certify to the passage of this Resolution by the City Council of the City of Long Beach, and it shall thereupon take effect.

I hereby certify that the foregoing Resolution was adopted by the City Council of the City of Long Beach at its meeting of September 4, 2001 by the following vote:

Ayes: Councilmembers: Lowenthal, Baker, Colonna, Carroll,
Kell, Richardson-Batts, Grabinski,
Webb, Shultz.

Noes: Councilmembers: None.

Absent: Councilmembers: None.


City Clerk

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

DTH:dmp
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THE HARBOR DEPARTMENT OF THE CITY OF LONG BEACH
BUDGET SUMMARY
FISCAL YEAR 2002

ESTIMATED FUNDS AVAILABLE

1. Unrestricted funds at October 1		74,500,000
2. Revenues for Fiscal year		
a. Operating revenues	225,970,000	
b. Other revenues	<u>49,256,000</u>	275,226,000
3. Revenue bond proceeds		
a. Bond project funds	194,197,899	
b. Capitalized interest	<u>31,569,000</u>	225,766,899
4. Oil operations		<u>12,929,840</u>
TOTAL ESTIMATED FUNDS AVAILABLE		<u><u>588,422,739</u></u>

ESTIMATED EXPENDITURES AND COMMITMENTS

1. Personal services		25,760,238
2. Non-personal expenditures		26,735,659
3. Debt service		93,885,635
4. Capital outlay		
a. Major projects	379,594,000	
b. Other projects	35,971,000	
c. Miscellaneous	<u>2,575,637</u>	418,140,637
5. Operating transfers		8,698,000
6. Oil operations		<u>15,202,570</u>
TOTAL ESTIMATED EXPENDITURES AND COMMITMENTS		<u><u>588,422,739</u></u>

BOARD OF HARBOR COMMISSIONERS

BY Carmen O. Perez
Carmen O. Perez, President

BY John R. Calhoun
John R. Calhoun, Secretary

DATED: JULY 23, 2001

Certified as a True and
Correct Copy

Justin T. H.
Executive Secretary
Board of Harbor Commissioners
of the City of Long Beach, CA

Dated July 26, 2001

RESOLUTION NO. C- 27896

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF LONG BEACH APPROVING THE 2001-2002
BUDGET OF THE LONG BEACH WATER DEPARTMENT
AS ADOPTED

WHEREAS, the annual budget of the Long Beach Water Department for the
2001-2002 fiscal year was adopted by the Board of Water Commissioners in its meeting
on July 26, 2001, by Resolution No. WD-1147; and

WHEREAS, it appears advisable to approve said budget, pursuant to the
provisions of Section 1405 of the Charter of the City of Long Beach;

NOW, THEREFORE, the City Council of the City of Long Beach resolves, as
follows:

Section 1. That the annual budget of the Long Beach Water Department for
the 2001-2002 fiscal year adopted by the Board of Water Commissioners at its meeting
on July 26, 2001 by Resolution No. WD-1147, is hereby approved pursuant to the
provisions of Section 1405 of the Charter of the City of Long Beach.

Sec. 2. The City Clerk shall file a certified copy of said budget, as hereby
approved, with the Board of Water Commissioners and the City Auditor.

Sec. 3. This resolution shall take effect immediately upon its adoption by the
City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council

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Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

of the City of Long Beach at its meeting of September 4, 2001, by the following
vote:

Ayes:

Councilmembers: Lowenthal, Baker, Colonna,
Carroll, Kell, Richardson-Batts,
Grabinski, Webb, Shultz.

Noes:

Councilmembers: None.

Absent:

Councilmembers: None.


City Clerk

RESOLUTION NO. WD-1147

A RESOLUTION OF THE BOARD OF WATER
COMMISSIONERS ADOPTING THE ANNUAL BUDGET FOR
THE LONG BEACH WATER DEPARTMENT FOR THE
FISCAL YEAR 2001-2002

The Board of Water Commissioners of the City of Long Beach resolves as
follows:

Section 1. That the annual department budget of the Long Beach Water
Department for the fiscal year 2001-2002, as follows, be and the same is hereby adopted:

WATER

Estimated Contingency Fund Balance 10-1-2001	\$ 4,917,216
Estimated Revenues	<u>73,446,500</u>
Total Estimated Resources	78,363,766
Estimated Expenditures	73,777,675
Estimated Contingency Fund Balance 9-30-2002	4,586,091

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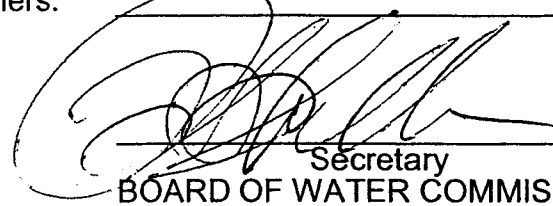
Estimated Contingency Fund Balance 10-1-2001	2,564,908
Estimated Revenues	<u>8,740,000</u>
Total Estimated Resources	11,304,908
Estimated Expenditures	8,010,132
Estimated Contingency Fund Balance 9-30-2002	3,294,776

Detailed schedules and other data which accompany the budget are provided
for information purposes only and are not intended to limit expenditures.

Sec. 2. The Secretary of the Board of Water Commissioners shall certify to
the passage of this resolution, and cause copies of the same to be filed with the City
Council, the City Auditor and the City Manager.

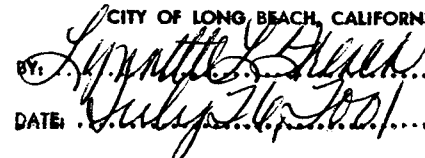
1 I hereby certify that the foregoing resolution was adopted by the Board of
2 Water Commissioners of the City of Long Beach, at its meeting of July 26, 2001, by the
3 following vote:

4 Ayes: Commissioners: STEPHEN CONLEY, CHARLES PARKS
5 RICHARD WILLIAMS, BENNETT LONG
6
7 Noes: Commissioners: NONE
8 Absent: Commissioners: HELEN HANSEN

9
10 
11 Secretary
12 BOARD OF WATER COMMISSIONERS
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Robert E. Shannon
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27 DFG:mb7-18-01;REV.3-23-01(WD1147.RES)01-03238
28 L:\APPS\CtyLaw32\WPDOCS\018\0001\00022033.WPD

CERTIFIED AS A TRUE AND CORRECT COPY
SECRETARY TO THE BOARD OF WATER COMMISSIONERS
CITY OF LONG BEACH, CALIFORNIA
BY: 
DATE: July 26, 2001